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16 UNITED STATES DISTRICT COURT  
17 NORTHERN DISTRICT OF CALIFORNIA  
18 OAKLAND DIVISION

19 SECURITIES AND EXCHANGE COMMISSION,  
20 Plaintiff,  
21 v.  
22 GRANITE CONSTRUCTION INC.,  
23 Defendant.

24 Case No. 4:22-cv-4857-HSG

25 **FINAL JUDGMENT AS TO DEFENDANT  
GRANITE CONSTRUCTION INC.**

26 **FINAL JUDGMENT AS TO DEFENDANT GRANITE CONSTRUCTION, INC.**  
27  
28 The Securities and Exchange Commission having filed a Complaint and Defendant Granite  
Construction, Inc. (“Defendant”) having entered a general appearance; consented to the Court’s  
jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final  
Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction);  
waived findings of fact and conclusions of law; and waived any right to appeal from this Final  
Judgment:

29 I.  
30

31 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently  
32 restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities  
33

1 Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated  
2 thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or  
3 of the mails, or of any facility of any national securities exchange, in connection with the purchase or  
4 sale of any security:

- 5 (a) to employ any device, scheme, or artifice to defraud;
- 6 (b) to make any untrue statement of a material fact or to omit to state a material fact  
7 necessary in order to make the statements made, in the light of the circumstances  
8 under which they were made, not misleading; or
- 9 (c) to engage in any act, practice, or course of business which operates or would  
10 operate as a fraud or deceit upon any person.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal  
12 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive  
13 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers,  
14 agents, servants, employees, and attorneys; and (b) other persons in active concert or participation  
15 with Defendant or with anyone described in (a).

16 II.

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
18 permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the  
19 “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or  
20 instruments of transportation or communication in interstate commerce or by use of the mails,  
21 directly or indirectly:

- 22 (a) to employ any device, scheme, or artifice to defraud;
- 23 (b) to obtain money or property by means of any untrue statement of a material fact or any  
24 omission of a material fact necessary in order to make the statements made, in light of  
25 the circumstances under which they were made, not misleading; or
- 26 (c) to engage in any transaction, practice, or course of business which operates or would  
27 operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

### III.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and Rules 12b-20, 13a-1, 13a-11, and 13a-13 promulgated thereunder [17 C.F.R. §§240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13] by failing to file, or by filing or causing to be filed, with the Commission any report required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act and the rules and regulations promulgated thereunder, which filed report omits to disclose any information required to be disclosed or such further information, if any, as may be necessary to make the statements, in light of the circumstances under which they were made not misleading.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IV.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 13(a)(b)(2)(A) of the Exchange Act [15 U.S.C. §78m(b)(2)(A)] by failing to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the expenses and transactions of Defendant.

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal  
 2 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive  
 3 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers,  
 4 agents, servants, employees, and attorneys; and (b) other persons in active concert or participation  
 5 with Defendant or with anyone described in (a).

## 6 V.

7 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently  
 8 restrained and enjoined from violating, directly or indirectly, Section 13(a)(b)(2)(B) of the Exchange  
 9 Act [15 U.S.C. §78m(b)(2)(B)] by failing to devise and maintain a system of internal accounting  
 10 controls sufficient to provide reasonable assurances that transactions are recorded as necessary to  
 11 permit preparation of the financial statements in conformity with generally accepted accounting  
 12 principles or any other criteria applicable to such statements, and to maintain accountability for such  
 13 assets.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal  
 15 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive  
 16 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers,  
 17 agents, servants, employees, and attorneys; and (b) other persons in active concert or participation  
 18 with Defendant or with anyone described in (a).

## 19 VI.

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall  
 21 pay a civil penalty in the amount of \$12,000,000 to the Securities and Exchange Commission  
 22 pursuant to Section 20(d) of the Securities Act[15 U.S.C. §77t(d)] and Section 21(d) of the Exchange  
 23 Act [15 U.S.C. §78u(d)] . Defendant shall satisfy this obligation by paying \$12,000,000 to the  
 24 Securities and Exchange Commission within ten days after the entry of this Final Judgment.

25 Defendant may transmit payment electronically to the Commission, which will provide  
 26 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a  
 27 bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>.

1    Defendant may also pay by certified check, bank cashier's check, or United States postal money  
 2    order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

3              Enterprise Services Center  
 4              Accounts Receivable Branch  
 5              6500 South MacArthur Boulevard  
 6              Oklahoma City, OK 73169

7    and shall be accompanied by a letter identifying the case title, civil action number, and name of this  
 8    Court; Granite Construction, Inc. as a defendant in this action; and specifying that payment is made  
 9    pursuant to this Final Judgment.

10      Defendant shall simultaneously transmit photocopies of evidence of payment and case  
 11     identifying information to the Commission's counsel in this action. By making this payment,  
 12     Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the  
 13    funds shall be returned to Defendant.

14      The Commission may enforce the Court's judgment for penalties by the use of all collection  
 15     procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. §  
 16     3001 *et seq.*, and moving for civil contempt for the violation of any Court orders issued in this action.  
 17     Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final  
 18     Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any  
 19     interest and income earned thereon (collectively, the "Fund"), pending further order of the Court.

20      The Commission may propose a plan to distribute the Fund subject to the Court's approval.  
 21     Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of  
 22     Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the  
 23     administration of any distribution of the Fund and the Fund may only be disbursed pursuant to an  
 24     Order of the Court.

25      Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as  
 26     civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all  
 27     purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant  
 28     shall not, after offset or reduction of any award of compensatory damages in any Related Investor

Action based on Defendant’s payment of disgorgement in this action, argue that it is entitled to, nor shall it further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant’s payment of a civil penalty in this action (“Penalty Offset”). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission’s counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that based on Defendant's agreement to cooperate in a Commission investigation and/or related enforcement action, the Court is not ordering Defendant to pay a civil penalty in excess of \$12,000,000. If at any time following the entry of the Final Judgment the Commission obtains information indicating that Defendant knowingly provided materially false or misleading information or materials to the Commission or in a related proceeding, the Commission may, at its sole discretion and without prior notice to the Defendant, petition the Court for an order requiring Defendant to pay an additional civil penalty. In connection with any such petition and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that it did not violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the validity of the Judgment, this Consent, or any related Undertakings; (c) the allegations of the Complaint, solely for the purposes of such motion, shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence without regard to the standards for summary judgment

contained in Rule 56(c) of the Federal Rules of Civil Procedure. Under these circumstances, the parties may take discovery, including discovery from appropriate non-parties.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the agreements set forth therein.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

X.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: 9/9/2022

Haywood S. Gill Jr.  
UNITED STATES DISTRICT JUDGE